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## CITY OF ALLENTOWN, PENNSYLVANIA

COMPONENT UNITS  
COMBINING STATEMENTS OF NET ASSETS  
DECEMBER 31, 2008

	Allentown Redevelopment Authority	AEDC	Allentown Parking Authority	Totals
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 565,758	\$ 1,966,881	\$ 1,405,867	\$ 3,938,506
Cash and cash equivalents - restricted	-	1,518,853	-	1,518,853
Cash and cash equivalents - designated	-	-	-	-
Investments, certificates of deposits	-	-	1,257,313	1,257,313
Accounts receivable	3,525	342,677	245,984	592,186
Accrued interest receivable	-	-	13,520	13,520
Inventory	-	-	31,437	31,437
Prepaid expenses	-	-	296,785	296,785
Due from other governments	61,990	-	-	61,990
Notes receivable, current maturities	-	-	-	-
Miscellaneous receivables and prepayments	-	-	-	-
Total current assets	631,273	3,828,411	3,250,906	7,710,590
<b>RESTRICTED ASSETS</b>				
Cash and cash equivalents	-	-	149	149
Investments, certificates of deposit	-	-	-	-
Accrued interest	-	-	-	-
Total restricted assets	-	-	149	149
CAPITAL ASSETS, net of accumulated depreciation	1,569,163	26,216,359	44,967,301	72,752,823
DEFERRED CHARGES, net of accumulated amortization	-	-	325,190	325,190
OTHER ASSETS	-	1,026,042	-	1,026,042
<b>TOTAL ASSETS</b>	<b>\$ 2,200,436</b>	<b>\$ 31,070,812</b>	<b>\$ 48,543,546</b>	<b>\$ 81,814,794</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable	\$ 30,474	\$ 87,080	\$ 265,134	\$ 382,688
Mortgage and note payable	-	-	340,853	340,853
Accrued expenses	-	-	265,293	265,293
Bonds payable	-	-	1,309,114	1,309,114
Other current liabilities	27,498	325,873	94,434	447,805
Total current liabilities	57,972	412,953	2,274,828	2,745,753
<b>NONCURRENT LIABILITIES:</b>				
Deferred revenue	-	-	11,113,122	11,113,122
Mortgage and note payable	-	6,514,459	-	6,514,459
Other postemployment benefit liability	-	-	25,097	25,097
Bonds payable	-	-	19,497,122	19,497,122
Total noncurrent liabilities	-	6,514,459	30,635,341	37,149,800
Total liabilities	57,972	6,927,412	32,910,169	39,895,553
<b>NET ASSETS:</b>				
Invested in capital assets net of related debt	1,569,163	19,501,900	23,762,953	44,834,016
Unrestricted net assets (deficit)	573,301	4,641,500	(8,129,576)	(2,914,775)
Total net assets	2,142,464	24,143,400	15,633,377	41,919,241
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,200,436</b>	<b>\$ 31,070,812</b>	<b>\$ 48,543,546</b>	<b>\$ 81,814,794</b>

**CITY OF ALLENTOWN, PENNSYLVANIA**

**COMPONENT UNITS  
COMBINING STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Allentown Redevelopment Authority	AEDC	Allentown Parking Authority	Totals
<b>SUPPORT AND OPERATING REVENUE</b>				
Charges for services				
Parking fees	\$ -	\$ -	\$ 6,123,520	\$ 6,123,520
Rental income	-	923,436	-	923,436
Fees and service charges	-	1,402	-	1,402
Management fee income	-	17,837	-	17,837
Professional services	-	8,733	-	8,733
Contributions and grants	-	71,400	-	71,400
Proceeds from sale of building	-	95,000	-	95,000
Other income	1,505,924	-	-	1,505,924
Intergovernmental revenue	1,147,634	5,043,293	-	6,190,927
Total support and operating revenue	<u>2,653,558</u>	<u>6,161,101</u>	<u>6,123,520</u>	<u>14,938,179</u>
<b>OPERATING EXPENSES:</b>				
Administrative services and related costs	-	384,155	-	384,155
Advertising, promotion and marketing	431	2,313	-	2,744
Bad debt	-	11,666	-	-
City grant programs	-	391,671	-	391,671
City funding return to CDBG program	-	-	-	-
Contributions	-	994,738	-	994,738
Depreciation and amortization	-	269,909	1,575,842	1,845,751
Dues and subscriptions	1,376	1,795	-	3,171
Insurance	2,980	73,989	-	76,969
Loan packaging	-	305	-	305
Materials and supplies	3,987	-	63,000	66,987
Office supplies and related expenses	3,277	18,834	-	22,111
Professional fees	30,025	114,845	-	144,870
Program expenses	1,290,305	5,286	-	1,295,591
Real estate and other taxes	-	53,666	-	53,666
Rent	-	1,065	-	1,065
Repair, maintenance and miscellaneous	-	140,691	-	140,691
Telephone and utilities	71	189,858	-	189,929
Trade associations	-	1,615	-	1,615
Training and professional development	-	1,609	-	1,609
Travel and meetings	2,134	6,161	-	8,295
Services and charges	2,108	-	761,489	763,597
Wages and benefits	139,731	-	2,068,128	2,207,859
Total operating expense	<u>1,476,425</u>	<u>2,664,171</u>	<u>4,468,459</u>	<u>8,597,389</u>
<b>NET OPERATING REVENUE (EXPENSE)</b>	<u>1,177,133</u>	<u>3,496,930</u>	<u>1,655,061</u>	<u>6,340,790</u>
<b>NONOPERATING REVENUE (EXPENSE):</b>				
Investment income	3,338	152,284	85,788	241,410
Interest expense	-	(324,898)	(960,529)	(1,285,427)
Gain (Loss) on disposal of capital assets	-	(31,446)	7,112	(24,334)
Miscellaneous	-	16,235	106,751	122,986
Total nonoperating revenue (expense)	<u>3,338</u>	<u>(187,825)</u>	<u>(760,878)</u>	<u>(945,365)</u>
Income before contributions	<u>1,180,471</u>	<u>3,309,105</u>	<u>894,183</u>	<u>5,383,759</u>
<b>CAPITAL CONTRIBUTIONS</b>				
Capital contributions	-	-	250,000	250,000
Contributions to City of Allentown	-	-	(230,113)	(230,113)
<b>CHANGE IN NET ASSETS</b>	<u>1,180,471</u>	<u>3,309,105</u>	<u>914,070</u>	<u>5,403,646</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>961,993</u>	<u>20,834,295</u>	<u>14,719,307</u>	<u>36,515,595</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS, BEGINNING OF YEAR, AS RESTATED</b>	<u>961,993</u>	<u>20,834,295</u>	<u>14,719,307</u>	<u>36,515,595</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 2,142,464</u>	<u>\$ 24,143,400</u>	<u>\$ 15,633,377</u>	<u>\$ 41,919,241</u>

## CITY OF ALLENTOWN, PENNSYLVANIA

COMPONENT UNITS  
COMBINING STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	Allentown Redevelopment Authority	AEDC	Allentown Parking Authority	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers	\$ -	\$ 5,304,033	\$ 6,267,562	\$ 11,571,595
Intergovernmental revenues	3,300,564	5,049,812	-	8,350,376
Payments to employees	-	(6,378,437)	(2,032,737)	(8,411,174)
Payments to suppliers	(2,962,338)	(2,323,339)	(746,411)	(6,032,088)
Net cash provided by operating activities	338,226	1,652,069	3,488,414	5,478,709
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Advance to/from other funds	53,357	-	-	53,357
Contributions to City of Allentown	-	-	(230,113)	(230,113)
Net cash used in noncapital financing activities	53,357	-	(230,113)	(176,756)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of capital assets	-	(161,659)	(2,362,713)	(2,524,372)
Proceeds from sale of capital assets	-	94,995	131,227	226,222
Additions to project development projects	-	(3,525,585)	-	(3,525,585)
Capital contributions	-	-	250,000	250,000
Principal payments on notes and bonds payable	-	(1,102,064)	(1,310,000)	(2,412,064)
Proceeds from bonds payable	-	2,487,337	-	2,487,337
Interest paid	-	-	(926,975)	(926,975)
Debt Issuance costs	-	(28,000)	-	(28,000)
Trustee fees	-	-	(4,040)	(4,040)
Net cash used in capital and related financing activities	-	(2,234,976)	(4,222,501)	(6,429,477)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Maturities of certificates of deposit	-	-	577,387	577,387
Purchase of certificates of deposit	-	-	(1,257,313)	(1,257,313)
Investment income	3,339	-	76,810	80,149
Realty income	-	-	113,620	113,620
Net cash provided by investing activities	3,339	-	(489,496)	(486,157)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>394,922</b>	<b>(582,907)</b>	<b>(1,453,696)</b>	<b>(1,641,681)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<b>170,836</b>	<b>4,068,641</b>	<b>2,859,712</b>	<b>7,099,189</b>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<b>565,758</b>	<b>3,485,734</b>	<b>1,406,016</b>	<b>5,457,508</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income	1,177,132	3,340,551	1,655,061	6,172,744
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization	(1,346,110)	269,909	1,575,842	499,641
Change in assets and liabilities:				
Accounts and notes receivable	(3,525)	4,034,299	(26,235)	4,004,539
Bad debt	500,000	11,666	-	511,666
Inventory	-	-	(19,651)	(19,651)
Prepaid expenses	-	-	(15,480)	(15,480)
Accounts payable and accrued expenses	14,387	(5,994,282)	143,637	(5,836,258)
Deferred revenue	(3,659)	-	135,625	131,966
Other liabilities	1	(10,074)	39,615	29,542
Net cash provided by operating activities	\$ 338,226	\$ 1,652,069	\$ 3,488,414	\$ 5,478,709

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## CITY OF ALLENTOWN, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
 BUDGETARY BASIS - CAPITAL PROJECTS AND DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Capital Projects			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Charges for services	\$ -	\$ -	\$ 144,149	\$ 144,149
Intergovernmental revenues	340,000	2,654,214	2,676,914	22,700
Other	175,000	175,000	16,540	(158,460)
Total revenues	515,000	2,829,214	2,837,603	8,389
EXPENDITURES:				
Current:				
General government	-	-	-	-
Capital outlay	36,877,709	39,695,231	11,830,637	27,864,594
Debt service-principal	-	-	-	-
Debt service-interest	-	-	-	-
Total expenditures	36,877,709	39,695,231	11,830,637	27,864,594
Excess (deficiency) of revenues over (under) expenditures	(36,362,709)	(36,866,017)	(8,993,034)	27,872,983
OTHER FINANCING SOURCES (USES):				
Operating transfers-out	-	-	-	-
Operating transfers-in	1,725,000	2,225,000	2,225,000	-
Total other financing sources (uses), net	1,725,000	2,225,000	2,225,000	-
Net change in fund balances	<u>\$ (34,637,709)</u>	<u>\$ (34,641,017)</u>	(6,768,034)	<u>\$ 27,872,983</u>
Add back reserve for encumbrances			4,376,601	
Net effect of other income, and expenditure accruals			<u>(1,376,309)</u>	
Net change in fund balances			(3,767,742)	
FUND BALANCES , BEGINNING OF YEAR			<u>5,201,007</u>	
FUND BALANCES , END OF YEAR			<u>\$ 1,433,265</u>	

Schedule consists of both facing pages

Debt Service		
Original and Final Budget	Actual	Variance
-	-	-
\$ 37,834	\$ 35,754	\$ 2,080
-	-	-
2,633,800	2,633,800	-
4,321,190	3,790,899	530,291
6,992,824	6,460,453	532,371
(6,992,824)	(6,460,453)	(532,371)
-	-	-
6,992,824	6,460,453	532,371
6,992,824	6,460,453	532,371
\$ -	-	\$ -
-	-	-
-	-	-
\$ -	-	-

CITY OF ALLENTOWN, PENNSYLVANIA

COMBINING SCHEDULES OF CHANGES IN ASSETS AND LIABILITIES -  
AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	Balance January 1, 2008	Additions	Deductions	Balance December 31, 2008
<b>EARNED INCOME TAX ESCROW:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 3,737,878	\$ 33,853,977	\$ 32,888,766	\$ 4,703,089
Due from other funds	-	160,104	160,104	-
<b>Total assets</b>	<b>\$ 3,737,878</b>	<b>\$ 34,014,081</b>	<b>\$ 33,048,870</b>	<b>\$ 4,703,089</b>
<b>Liabilities:</b>				
Due to other funds	\$ -	\$ 2,151,312	\$ 2,151,312	\$ -
Due to other governments	3,737,878	31,862,769	30,897,558	4,703,089
<b>Total liabilities</b>	<b>\$ 3,737,878</b>	<b>\$ 34,014,081</b>	<b>\$ 33,048,870</b>	<b>\$ 4,703,089</b>
<b>PAYROLL WITHHOLDING FUNDS:</b>				
Cash and cash equivalents	\$ 1,128,327	\$ 15,808,210	\$ 15,634,039	\$ 1,302,498
<b>Total assets</b>	<b>\$ 1,128,327</b>	<b>\$ 15,808,210</b>	<b>\$ 15,634,039</b>	<b>\$ 1,302,498</b>
<b>Liabilities:</b>				
Payroll tax liability	\$ 1,128,327	\$ 15,624,650	\$ 15,450,479	\$ 1,302,498
Due to other funds	-	183,560	183,560	-
<b>Total liabilities</b>	<b>\$ 1,128,327</b>	<b>\$ 15,808,210</b>	<b>\$ 15,634,039</b>	<b>\$ 1,302,498</b>
<b>TAX COLLECTION FUND:</b>				
Cash and cash equivalents	\$ 8,380,598	\$ 83,310,049	\$ 87,898,529	\$ 3,792,118
<b>Total assets</b>	<b>\$ 8,380,598</b>	<b>\$ 83,310,049</b>	<b>\$ 87,898,529</b>	<b>\$ 3,792,118</b>
<b>Liabilities:</b>				
Due to other funds	\$ -	\$ 25,843,841	\$ 25,843,841	\$ -
Due to other governments	8,380,598	57,466,208	62,054,688	3,792,118
<b>Total liabilities</b>	<b>\$ 8,380,598</b>	<b>\$ 83,310,049</b>	<b>\$ 87,898,529</b>	<b>\$ 3,792,118</b>
<b>TOTAL ALL AGENCY FUNDS:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 13,246,803	\$ 132,972,236	\$ 136,421,334	\$ 9,797,705
Due from other funds	-	160,104	160,104	-
<b>Total assets</b>	<b>\$ 13,246,803</b>	<b>\$ 133,132,340</b>	<b>\$ 136,581,438</b>	<b>\$ 9,797,705</b>
<b>Liabilities:</b>				
Payroll tax liability	\$ 1,128,327	\$ 15,624,650	\$ 15,450,479	\$ 1,302,498
Due to other funds	-	28,178,713	28,178,713	-
Due to other governments	12,118,476	89,328,977	92,952,246	8,495,207
<b>Total liabilities</b>	<b>\$ 13,246,803</b>	<b>\$ 133,132,340</b>	<b>\$ 136,581,438</b>	<b>\$ 9,797,705</b>